

May 11, 2010

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: *Application of Verizon Communications Inc. and Frontier Communications Corporation for Consent to Transfer Control of Domestic Section 214 Authority, WC Docket No. 09-95*

Dear Ms. Dortch:

On May 10, 2010, I spoke with Zachary Katz, Deputy Director of the Office of Strategic Planning. In response to Mr. Katz's inquiry, I explained that in early April, Frontier began evaluating tiered pricing in the area served through its Mound, MN aggregation center. Frontier is continually evaluating how best to structure the pricing of its Internet access services to be fair both to the average user and to heavy users of its services. Heavy users are more costly to serve than average users, as heavy peak use demand can require augmenting backhaul and backbone capacity. As an alternative to increasing the overall price for all consumers, which would harm broadband adoption, Frontier is exploring tiered pricing in which the highest users are asked to pay more in light of the greater demands they place on the network.

Frontier's approach is highly targeted. The pricing tiers used in this experiment affect only those subscribers with monthly usage above either 100 GB or 250 GB. These users are an extremely small minority of Frontier's broadband customers – far below 0.5%. For reference, 100 GB monthly is:

- 10,000,000 basic text e-mails,
- 50,000 photos,
- 800,000 web page views,
- Over 6000 hours (250 days) of online game time,
- 25,000 downloaded songs, or
- 50 Standard Definition Movies or 16 High Definition Movies.

Frontier did not distinguish among different types or sources of content in measuring customer usage for these tiers. These tiers will evolve, as customer usage changes, and as Frontier gains more experience through this experiment. Frontier has not made any decisions one way or the other as to expand tiered pricing to areas being transferred from Verizon.

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Customers with over 100 GB usage served through Mound MN are being notified by email and then given a follow-up call with the opportunity to decide whether and, if so, how to structure their future service. Customers have the option to upgrade to the new higher service tiers, to commit to reducing usage, or to discontinue service with a 15-day transition period. Some customers have elected each of these options. If the customer discontinues service, no termination fees are charged.

Frontier is committed to doing what it can to increase transparency and empower consumers. Among other things, Frontier is evaluating ways to provide to all customers visibility as to their usage on a daily, weekly and monthly basis. Frontier hopes to be able also to provide consumers with the ability to estimate bandwidth usage for different types of activities – like streaming video downloads or file sharing.

A copy of this letter is being filed in the above-referenced docket. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Nakahata", is written over a horizontal line.

John T. Nakahata

Counsel to Frontier Communications Corp.